Diversions from PDS

457.SHRIMATI HEMA MALINI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that 31 per cent foodgrains and 36 per cent sugar meant for Public Distribution System (PDS) does not reach the targeted groups;

(b) how many cases have been reported, State-wise, where fair price shops are involved in malpractices of diversions of public distribution items; and

(c) the steps taken to ensure regular supplies of public distribution items as per the norms laid down to each family?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) As per the Programme Evaluation Organization (PEO) of Planning Commission's Report on Performance Evaluation of Targeted Public Distribution System (TPDS), about 57% of subsidized foodgrains does not reach the target group, of which a little over 36% is siphoned off the supply chain.

(b) A Statement indicating the State-wise details of cases reported on diversion of foodgrains meant for PDS beneficiaries is annexed as per Statement (*See* below).

(c) A system to monitor distribution of foodgrains and other goods being distributed under PDS is already in place. Under the system, the responsibility for distribution of foodgrains and other goods through PDS outlets lies with the respective State Governments. However, the following measures have been taken by the Government to reach the PDS items to beneficiaries.

(i) Recently, a study has been conducted by the PEO of the Planning Commission and ORG-Marg on the performance evaluation of Targeted Public Distribution System (TPDS) and submitted their report with a number of findings. The reports of the ORG-Marg and the Programme Evaluation Organisation have

been sent to the State Governments for their comments. In addition, the issue of diversion has been discussed in the recently held Regional Conferences with the State Governments. The State Governments have however, expressed reservations in these conferences on the finding of the studies.

(ii) As regards diversion of wheat particularly in the North Eastern States, the Central Government, in addition to reducing wheat allocation in all rice eating States, has also issued instructions that the custom of allowing flour mills to lift wheat directly from the FCI godowns be stopped and the State Governments should ensure that the wheat after being milled is put back in the PDS network, for distribution to ration card holders.

(iii) In the recently held Regional Conferences with the State Governments including the conference for North Eastern States held in Guwahati on 31st January, 2006 the issue of diversion of foodgrains has been discussed at length and State Governments asked to take steps like door delivery of foodgrains, involvement of Self-Help Groups of stakeholders in distribution, computerization of PDS beneficiaries etc. The Chhattisgarh Government has reported that it has cancelled the Fair Price Shops licenses and with a view to ensuring better distribution had allotted Fair Price Shops to 3404 Gram Panchayats, 2753 Primary Agriculture Cooperative Societies, 1587 Women's Self-Help Groups, 243 Forest Protection Committees and 2032 Shops to other cooperative societies. Andhra Pradesh and Karnataka have taken up review of the BPL beneficiaries and have started issue of computerized ration cards alongwith bar coded coupons. Sikkim has also computerized the TPDS operations.

(iv) The Public Distribution System (Control) Order, 2001 was issued in order to streamline the functioning of the PDS and to make the same more effective and accountable. Any offence committed in violation of the provisions of the Order invokes criminal liability under Section 7 of the Essential Commodities Act, 1955.

(v) The State Governments and the Union Territory Administrations have been asked to actively involve the Panchayati Raj Institutions to monitor the functioning of the Fair Price Shops, as a measure of social audit.

(vi) The State and Union Territories have also been asked to constitute Vigilance Committees at the State, District, Block and FPS levels to oversee the functioning of PDS.

(vii) With a view to efficiently reaching PDS commodities to the consumers in a transparent manner, a model Citizen's Charter has been issued by the Central Government for adoption by the State Governments/UT Administration.

(viii) Under the Area Officers Scheme, the Senior Officers of the Government visits their allocated States/UTs to conduct review of the TPDS. The observations made by the Area Officers in their reports are sent to the concerned State Government/UT for taking necessary action.

(ix) The Central Government has made necessary provisions in the Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955 to check diversion of kerosene.

(x) Further to check the black marketing of the SKO, Oil Marketing Companies (OMCs) undertake inspections of SKO dealers and take action against guilty dealers based on the provisions of the Marketing Discipline Guidelines/Dealership Agreement. The action taken includes termination of dealerships, imposition of fines, suspension of supplies, warning etc.

The Central Government allocated levy sugar for distribution under PDS to the State Governments/their lifting agencies. It is the sole responsibility of the State Government to ensure regular supplies of levy sugar to the entitled families.

Statement

Status paper on half yearly report on the Action Taken under clause 9 of PDS (Control) Order, 2001 by the State Governments/UT Administrations

Sl. No.	State/UT	Period from Jan., 04 to June, 04	Period from July, 04 to Dec., 04
1.	Assam	No. of raids conducted-84 No. of persons arrested-NIL No. of persons prosecuted-19 No. of persons convicted-2 Value of goods confiscated (Rs. 35,815)	No. of raids conducted-143 No. of persons arrested-NIL No. of persons prosecuted-28 No. of persons convicted-NIL Value of goods confiscated -Rs.1,104.00
2.	Chhattis-garh	No. of Cases-527 Action taken-187 Balance cases-340	No. of Cases-290 Action taken-87 Balance cases-203
3.	Delhi	No. of cases reported—44 Action taken-44 Penalty Imposed-Rs. 92,300	No. of cases reported—211 Action taken-211 Penalty Imposed-Rs. 2,86,100
4.	Gujarat	No. of raids-8179 No. of persons arrested-22 No. of persons against whom prosecution started-6 No. of persons punished under PDS (Control) Orders, 2001-Nil Amount of confiscation (Rs. in lakh)-6.78	No. of raids-13496 No. of persons arrested-37 (Police Case) No. of persons against whom prosecution started-33 No. of persons punished under PDS (Control) orders, 2001-Nil Amount of confiscation (Rs. in lakh)-14.68
5.	Haryana	FPS Licence cancelled-66 Forfeited-Rs. 2,27,250/-	FPS Licence cancelled-66 Forfeited-Rs. 3,54,100/-
6.	Karnataka	No. of raids-461 No. of persons arested-41 No. of persons prosecuted-Nil No. of persons convicted-Nil Value of confiscated essential commodities (Rs. in lakh)-2.40	No. of licenses who have violated the orders-207 No of issues pending for enquiry-27 No. of suspended licenses-31 No. of licenses cancelled-02 Total penalty against the issues closed after levying penalty-Rs. 1,02,891/-
7.	Kerala	No. of raids-2977	No. of raids-7872

Sl. No.	State/UT	Period from Jan., 04 to June, 04	Period from July, 04 to Dec., 04
		No. of persons arrested-Nil No. of persons prosecuted-Nil No. of persons convicted-Nil Value of confiscated-Rs. 28788.50	No. of persons arrested-Nil No. of persons prosecuted-Nil No. of persons convicted-Nil Value of confiscated-Rs. 54938.80
8.	Mizoram	No. of raids conducted-6 No. of persons arrested-Nil No. of persons prosecuted-Nil No. of persons convicted-Nil Value of goods confiscated (Rs. in lakh)-Nil	No. of raids conducted-3 No. of persons arrested-Nil No. of persons prosecuted-Nil No. of persons convicted-Nil Value of goods confiscated(Rs. in lakh)-Nil
9.	Orissa	No. of raids conducted-287 No. of persons arrested-2 No. of persons prosecuted-13 No. of persons convicted-Nil Value of goods confiscated-Rs. 2,10,585.00	No. of raids conducted-645 No. of persons arrested-6 No. of persons prosecuted-58 No. of persons convicted-Nil Value of goods confiscated Rs. 3,76,537.94
10.	Punjab	Depots checked-16550 Show cause notices issued-606 Depots suspended-284 Cancelled-34 Depots fined-151	Depots checked-16024 Show cause notices issued-628 Depots suspended-215 Cancelled-35 Depots fined-145
11.	Rajasthan	No. of raids- 80 No. of persons arrested-3 No. of persons prosecuted-18 No. of persons convicted-Nil Value of confiscated essential commodities (Rs.)—838681	No. of raids-12 No. of persons arrested-Nil No. of persons prosecuted-25 No. of persons convicted-1 Value of confiscated essential commodities (Rs.)—1450664
12.	Tamil Nadu	PDS (Control) Order, 2001 has not been implemented in the State since this Govt. is not following APL/BPL classification for pricing commodities under PDS. Hence the question of furnishing half yearly reports on the action taken under clause 9 of the PDS (Control) Order, 2001 does not arise.	
13	Uttar Pradesh	No. of raids-4322 No. of persons arrested-59 No. of persons prosecuted-Nil No. of persons convicted-Nil Value of confiscated essential commodities (Rs.)—6419413 No. of inspection—146950 No. of FIR register—137 Security deposit - Rs.—3612541 No. of FPS suspended—2711 No. of FPS cancelled—1029	

Sl. No.	State/UT	Period from Jan., 04 to June, 04	Period from July, 04 to Dec., 04
14.	West Bengal	No. of raids conducted- 400 No. of persons arrested-149 No. of persons prosecuted-39 No. of persons convicted-Nil Value of goods seized Rs. 76,45,218.00	No. of raids conducted- 173 No. of persons arrested-66 No. of persons prosecuted-53 No. of persons convicted-4 Value of goods seized- Rs. 29,16,016.00
15.	A&N Islands	No. of raids conducted- 1 No. of surprise inspection- 205 No. of persons arrested-1 Penalty charges-2 No. of cases initiated 1- Value of goods confiscated - Nil Irregularities Noticed-32	*
16.	D&N Haveli	Nil	No. of raids-1 No. of persons arrested-1 No. of persons prosecuted - Nil No. of persons convicted- Nil Value of goods confiscated (Rs.)-3971 Remarks-complaint lodged with the police for further investigation.
17	Pondi-cherry	No. of raids - 380 No. of persons arrested-5 No. of persons prosecuted-5 No. of persons convicted-2Under investigtion & 1 under Trial	No. of raids - 1072 No. of persons arrested-17 No. of persons prosecuted-17 No. of persons convicted-4 under Trial

*No information has been received from these States/UTs.

January 05 to December 05

Sl. No.	State/UT	Period from Jan., 05 to June, 05	Period from July, 05 to Dec.,05
1.	Assam	No. of raids conducted- 991 No. of persons arrested-Nil No. of persons prosecuted-24 No. of persons convicted-2 Value of goods confiscated Rs. 56,797/-	*
2.	Delhi	No. of cases reported- 785 Action taken - 702 Penalty Imposed- Rs. 11,09,900	*
3.	Gujarat	No. of inspection of FPS - 16163 Seizure - Rs. 1339014 Confiscation - Rs. 377938	

Sl. No.	State/UT	Period from Jan., 05 to June, 05	Period from July, 05 to Dec.,05
		Deposit confiscated - Rs. 2648189 Licence cancelled - 68 Licence suspended - 186 No. of prosecution cases - 28	
4.	Haryana	FPS licences cancelled-73 Forfeited-Rs. 7,74,920/-	*
5.	Kerala	No. of raids - 3386 No. of persons arrested-9 No. of persons prosecuted-NiL No. of persons convicted-Nil Value of confiscated-Rs. 22009.72	*
6.	Mizoram	No. of raids made- 10 No. of persons arrested-Nil No. of persons prosecuted-Nil No. of persons convicted-Nil Value of goods confiscated (Rs. In lakh) - Nil	*
7.	Punjab	Depots checked — 16145 Show Cause Notices issued-881 Depot suspended-204 Depot cancelled-45 Depot fined-295	*
8.	Tamil Nadu	PDS (Control) Order, 2001 has not been implemented in the State since this Govt. is not following APL/BPL classification for pricing commodities under PDS. Hence the question of furnishing Half yearly reports on the action taken under clause 9 of the PDS(Control) Order, 2001 does not arise.	
9.	A&N Islands	No. of Inspection-56 No. of raids conducted-Nil No. of persons arrested/prosecuted/convicted-Nil No. of FPS licenses suspended/ cancelled Show-Cause Notice issued-1 Value of goods seized-Nil	No. of Inspection-43 No. of raids conducted Nil No. of persons arrested/prosecuted/convicted -Nil No. of FPS licenses suspended/cancelled Show Cause Notice issued-5 Value of goods seized-Nil

Sl. No.	State/UT	Period from Jan., 05 to June, 05	Period from July, 05 to Dec.,05
10	Chandigarh	No. of case registered-1	*
11	Pondicherry	No. of raids- 2673 No. of persons arrested-18 No. of persons prosecuted-18 No. of persons convicted-Under investigation	*

*No information has been received from these States/UTs.

Price rise due to commodity future trading

†458. SHRI RAM JETHMALANI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that commodity future trading has added to the quantum jump in the prices of foodgrains during preceding months;

(b) if so, the reaction of Government thereto;

(c) whether Government have conducted any inquiry into it; and

(d) if so, the agency involved in the inquiry and the report thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) No, Sir. The reasons for rise in prices of foodgrains are mainly shortfall in domestic supplies relating to demand and hardening of international prices, of certain foodgrain items.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

†Original notice of the Question was received in Hindi.